

AR49



SCINTREX Limited

79 MARTIN ROSS AVENUE, DOWNSVIEW, ONTARIO

FINANCIAL

REPORT

6

MONTHS

ENDED

July 31,

1967

SCINTREX Limited

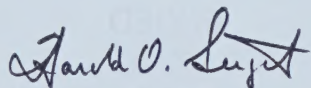
To the Shareholders:

This is the first financial report reflecting the consolidated operations of Scintrex Limited. You will recall that on April 28, 1967, our shareholders approved the acquisition of Seigel Associates Limited and its subsidiary companies. This semi-annual statement therefore includes the operations of both the instrument manufacturing and geophysical service divisions, for the period of February 1 to July 31, 1967. The comparative figures for the same period in 1966 are based on the instrument manufacturing division alone (then Sharpe Instruments of Canada Limited and its subsidiary, Sharpe Instruments Inc.). The earnings per share for each of these periods have been calculated on the basis of Scintrex shares (4 Sharpe equals 1 Scintrex), with due allowance being made for the increase in the number of common shares issued as a result of the above acquisition.

Shareholders will note a substantial increase in sales, net income before and after income taxes and net earnings per share after tax. The latter, which is the only figure by which one may effectively compare the 1967 and 1966 data, shows an increase from 22.7¢ to 50.1¢ per share. This increase is even more gratifying when it is noted that the Sharpe tax loss carried forward has been completely wiped out in the current period.

In the anticipation that your company will require additional plant space in the near future it has purchased the 1.7 acre lot adjacent to its present leasehold building. It is expected that a decision regarding construction of a new building on this lot will be made within the next 12 months.

The volume of orders on hand for the remainder of this year for all divisions of your company is at a high level and the forecast is, therefore, favourable.



Harold O. Seigel, Ph.D., P.Eng.
President.

September 25th, 1967

SCINTREX Limited

CONSOLIDATED STATEMENT OF OPERATIONS

FOR SIX MONTHS ENDED JULY 31, 1967

With comparative figures for 1966

	1967	1966(1)
SALES	<u>\$1,367,610</u>	<u>\$ 533,843</u>
Net Income Before Income Taxes	288,389	55,803
Income Taxes	82,801	2,099
Net Income	<u>\$ 205,588</u>	<u>\$ 53,704</u>
Common Shares Issued (2)	410,594	236,572
Earnings Per Share	50.1¢	22.7¢

(1) On consolidated operations of Sharpe Instruments of Canada Limited.

(2) On basis of equivalent Scintrex shares (4 Sharpe equals 1 Scintrex).

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR SIX MONTHS ENDED JULY 31, 1967

Working Capital, February 1, 1967*	\$ 811,610
Source of Funds	
Net Income	\$ 205,588
Depreciation	67,429
Minority Interest	1,080
Capital Stock Issued	<u>26,066</u>
	<u>300,163</u>
	1,111,773
Application of Funds	
Special Refundable Tax	5,218
Purchase of Property and Equipment	<u>118,109</u>
	<u>123,327</u>
Working Capital, July 31, 1967	<u>\$ 988,446</u>
Increase in Working Capital	<u>\$ 176,836</u>

*As per pro-forma consolidated balance sheet of the Company and its Subsidiaries.

SUBJECT TO AUDIT